

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

In re:

WINSTAR COMMUNICATIONS, INC., et al.,

Debtors.

CHRISTINE C. SHUBERT, CHAPTER 7
TRUSTEE OF WINSTAR
COMMUNICATIONS, INC. AND WINSTAR
WIRELESS, INC.,

Plaintiff,

v.

LUCENT TECHNOLOGIES INC.,

Defendant.

Case No. 06-147 (JJF)

Case Below:
Chapter 7

Case No. 01-1430

(Jointly Administered)

Adv. Pro. No. 01-01063 (JBR)

JOINT STIPULATION REGARDING STAY OF PROCEEDINGS

Pursuant to Bankruptcy 8017(b), Plaintiff Christine C. Shubert, Chapter 7 Trustee ("the Trustee"), and Defendant Lucent Technologies, Inc. ("Lucent") (collectively, the "Parties") hereby stipulate and agree as follows:

1. On December 28, 2005 the Bankruptcy Court entered judgment (Doc. #373) (the "Judgment") in favor of the Trustee (i) against Lucent on Counts VII and X of the Second Amended Complaint (the "Complaint"), in the aggregate amounts of \$243,930,742.00 plus prejudgment interest, and (ii) Count XI subordinating Lucent's claims against Winstar to the claims of all creditors and certain equity holders and transferring to the Plaintiff any lien or claim held by Lucent on Winstar's assets, including without limitation distribution of amounts held in the three escrow accounts established by prior stipulations between the Trustee and Lucent

(Bankruptcy Case 01-1430 Docket Nos. 3544, 4026 and 4360). The total amount of the monetary award pursuant to the Judgment is \$278,318,409.30 (the "Monetary Award"). Interest continues to accrue on the Judgment at the rate of \$33,321.96 per diem.

2. On January 9, 2006, Lucent filed a notice of appeal (the "Appeal") from the Judgment.

3. Pursuant to a Stipulation approved by the Bankruptcy Court on January 27, 2006, enforcement of the Judgment was stayed pending appeal to the U.S. District Court for the District of Delaware.

4. By final order dated April 26, 2007 (Doc # 47) (the "Final Order"), the U.S. District Court for the District of Delaware affirmed the Judgment.

5. Pursuant to Federal Rule of Appellate Procedure 4(a)(1), Lucent's Notice of Appeal is due on May 28, 2007. Lucent has expressed its intention to pursue such an appeal to the U.S. Court of Appeals for the Third Circuit (the "Third Circuit Appeal").

6. The Parties have filed contemporaneously with this filing a Joint Stipulation Regarding Stay of Proceedings and Form of Security with the U.S. Bankruptcy Court for the District of Delaware (the "Bankruptcy Court Joint Stipulation"). The Bankruptcy Court Joint Stipulation, a copy of which is attached hereto as Appendix A, reflects the parties agreement that enforcement of the Judgment be further stayed pending issuance of the mandate following the Third Circuit Appeal and subject to the terms set forth in Paragraph 9 of the stipulation. To secure Lucent's obligation's in respect of the Monetary Award and continued interest thereon during the pendency of the stay, JPMorgan Chase Bank, N.A. ("JPMorgan") has issued in favor of the Trustee a standby letter of credit (the "Letter of Credit"). The Parties agree that the Letter

of Credit provides appropriate security pursuant to Fed. R. Civ. P. 62(d) and Fed. R. Bankruptcy P. 8017(b).

7. Enforcement of the Final Order shall be stayed pursuant to Fed. R. Bankruptcy P. 8017(b) and in accordance with the annexed Bankruptcy Court Joint Stipulation.

Dated: May 4, 2007

HERRICK, FEINSTEIN LLP

By: Stephen M. Rathkopf
Stephen M. Rathkopf
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Attorneys for Appellee/Plaintiff Trustee

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Daniel J. DeFranceschi (Bar No. 2732)
Jason M. Madron (Bar No. 4431)
One Rodney Square
P.O. Box 551
Wilmington, Delaware 19899
(302) 651-7700

Attorneys for Appellant/Defendant Lucent

SO ORDERED.

Dated: May ____, 2007

Joseph J. Farnan
United States District Judge

Appendix A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

WINSTAR COMMUNICATIONS, INC., et al.,

Debtors.

CHRISTINE C. SHUBERT, CHAPTER 7
TRUSTEE OF WINSTAR
COMMUNICATIONS, INC. AND WINSTAR
WIRELESS, INC.,

Plaintiff,

v.

LUCENT TECHNOLOGIES INC.,

Defendant.

Chapter 7

Case No. 01-01430
(Jointly Administered)

Judge Kevin J. Carey

Adv. Pro. No. 01-01063 (KJC)

**JOINT STIPULATION REGARDING STAY
OF PROCEEDINGS AND FORM OF SECURITY**

Pursuant to Federal Rule of Civil Procedure 62(d) and Bankruptcy Rule 8005, 8017 and 7062, Plaintiff Christine C. Shubert, Chapter 7 Trustee ("the Trustee"), and Defendant Lucent Technologies, Inc. ("Lucent") (collectively, the "Parties") hereby stipulate and agree as follows:

1. On December 28, 2005 the Court entered judgment (Doc. #373) (the "Judgment") in favor of the Trustee (i) against Lucent on Counts VII and X of the Second Amended Complaint (the "Complaint"), in the aggregate amounts of \$243,930,742.00 plus prejudgment interest, and (ii) Count XI subordinating Lucent's claims against Winstar to the claims of all creditors and certain equity holders and transferring to the Plaintiff any lien or claim held by Lucent on Winstar's assets, including without limitation distribution of amounts held in the three escrow accounts established by prior stipulations between the Trustee and Lucent (Bankruptcy

Case 01-1430 Docket Nos. 3544, 4026 and 4360). The total amount of the monetary award pursuant to the Judgment is \$278,318,409.30 (the "Monetary Award"). Interest continues to accrue on the Judgment at the rate of \$33,321.96 per diem.

2. On January 9, 2006, Lucent filed a notice of appeal (the "Appeal") from the Judgment.

3. Pursuant to a Stipulation approved by this Court on January 27, 2006, enforcement of the Judgment was stayed pending appeal to the U.S. District Court for the District of Delaware.

4. By final order dated April 26, 2007 (Doc. # 47) (the "Final Order"), the U.S. District Court for the District of Delaware affirmed the Judgment.

5. Pursuant to Federal Rule of Appellate Procedure 4(a)(1), Lucent's Notice of Appeal is due on May 28, 2007. Lucent has expressed its intention to pursue such an appeal to the U.S. Court of Appeals for the Third Circuit (the "Third Circuit Appeal").

6. The Parties have filed contemporaneously with this filing a Joint Stipulation Regarding Stay of Proceedings with the U.S. District Court for the District of Delaware pursuant to Bankruptcy Rule 8017(b).

7. Enforcement of the Judgment shall be stayed (the "Stay") until the issuance of the mandate following the Third Circuit Appeal. To secure Lucent's obligations in respect of the Monetary Award and continued interest thereon during the pendency of the Stay, JPMorgan Chase Bank, N.A. ("JPMorgan") has issued in favor of the Trustee a standby letter of credit (the "Letter of Credit"), a true copy of which is attached hereto as Exhibit A.

8. The Parties agree that the Letter of Credit provides appropriate security pursuant to Fed. R. Civ. P. 62(d) and Fed. R. Bankruptcy P. 8005 & 8017(b). The Parties further agree

that until the Stay is terminated pursuant to Paragraph 9 below or by an order of the Court, any and all proceedings to enforce the Judgment (including without limitation distribution of amounts held in the three escrow accounts established by prior stipulations between the Trustee and Lucent (Bankruptcy Case 01-1430 Docket Nos. 3544, 4026 and 4360) shall be and hereby are stayed.

9. This stay of enforcement shall terminate: (a) upon the issuance of the mandate as provided in Federal Rule of Appellate Procedure 41(b); (b) if Lucent fails to comply with the provisions of paragraph 10 below; (c) on May 28, 2007, if Lucent has not filed a notice of appeal by that date; or (d) the Trustee receives notice from JPMorgan Chase that the Letter of Credit will not be renewed, and within forty days from the Trustee's receipt of such notice, Lucent has not provided, for the benefit of the Trustee, a replacement letter of credit, issued by a national bank approved by the Office of the United States Trustee for the District of Delaware as a Depository Institution under the procedures set forth in 11 U.S.C. § 345 and 28 U.S.C. § 586, on terms materially as favorable as those of the terminated letter. Upon the termination of the stay, the Trustee shall be entitled to enforce the Judgment in such fashion as she shall determine in her sole and complete discretion, including but not limited to, drawing on the Letter of Credit.

Provided, however, that if the stay terminates because Lucent has not increased the amount of the renewal letter of credit in accordance with Paragraph 10 below and the Trustee has drawn down on the Letter of Credit because of Lucent's failure to comply with Paragraph 10: (i) the Trustee shall not distribute any funds obtained by enforcing the Judgment or drawing on the Letter of Credit until the final resolution of all appeals from the Judgment (including a petition for certiorari), and shall hold such funds in an interest-bearing account until such time, whereupon the Court may direct, on motion of any party, the ultimate disposition of such funds,

and (ii) nothing in this provision shall grant or be construed to grant Lucent any legal, equitable or other right or interest in the money being held by the Trustee in accordance with (i) above. Notwithstanding anything to the contrary in this Stipulation, if Lucent has not increased the amount of the renewal letter of credit in accordance with Paragraph 10 below, the Trustee may seek an order of the Court directing Lucent to post additional security during the pendency of any appeal.

10. Unless the Court has ruled on the Appeal or the Appeal has been otherwise resolved on or before April 30, 2008, Lucent shall be required to amend the Letter of Credit to increase the face amount thereof such that the amount of the Letter of Credit shall be increased, as of April 30, 2008, to \$318,904,554.42. Thereafter, the amount of the Letter of Credit shall be increased by \$12,162,515.40 annually until the Appeal has been determined or otherwise resolved. By way of example, the Letter of Credit shall be increased to \$331,067,069.82 on April 30, 2009, etc.

Dated: May 4, 2007

HERRICK, FEINSTEIN LLP

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2 Park Avenue
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Attorneys for Plaintiff Trustee

WILMER CUTLER PICKERING
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Jason M. Madron (Bar No. 4431)
One Rodney Square
P.O. Box 551
Wilmington, Delaware 19899
(302) 651-7700

Attorneys for Defendant Lucent

Exhibit A



JPMorgan Chase Bank, N.A.
c/o JPMorgan Treasury Services
Global Trade Services
10420 Highland Manor Drive
Tampa, FL 33610

MAY 3, 2007

L/C NO.: TPTS-230915

ITEM NO: 0014

TO:
CHRISTINE C. SHUBERT, AS CHAPTER 7
TRUSTEE OF WINSTAR COMMUNICATIONS,
INC. AND WINSTAR WIRELESS, INC.
10 TEABERRY DRIVE
MEDFORD, NEW JERSEY 08055

RE: TPTS-230915

AMENDMENT NO. 2

APPLICANT:
LUCENT TECHNOLOGIES INC.
ATTN: WAYNE FRANCIS
600 MOUNTAIN AVENUE - 7E517
MURRAY HILL, NJ 07974

MS. SHUBERT:

WE HEREBY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. TPTS-230915 DATED JANUARY 25, 2006, AS AMENDED ON APRIL 23, 2007. THIS FURTHER AMENDED IRREVOCABLE LETTER OF CREDIT, NO. TPTS-230915, AMENDMENT NO. 2, IS ISSUED IN YOUR FAVOR FOR AN AGGREGATE AMOUNT OF USD 306,742,039.10, EXPIRING AT OUR COUNTERS INDICATED ABOVE WITH OUR CLOSE OF BUSINESS ON APRIL 30, 2008 (THE "EXPIRATION DATE").

THIS LETTER OF CREDIT IS AVAILABLE WITH JPMORGAN CHASE BANK, N.A., AGAINST PRESENTATION OF YOUR DRAFT AT SIGHT DRAWN ON JPMORGAN CHASE BANK, N.A. WHEN ACCOMPANIED BY THE FOLLOWING DOCUMENTS:

1. AN AFFIDAVIT SIGNED BY THE CHAPTER 7 TRUSTEE OF WINSTAR COMMUNICATIONS, INC. AND WINSTAR WIRELESS, INC. (THE "TRUSTEE"), CERTIFYING THAT:

"THE AMOUNT OF THIS DRAWING U.S. DOLLARS UNDER JPMORGAN CHASE BANK, N.A. LETTER OF CREDIT NUMBER TPTS-230915 REPRESENTS FUNDS AWARDED TO THE TRUSTEE PURSUANT TO A JUDGMENT (THE "JUDGMENT") ENTERED ON DECEMBER 28, 2005 BY THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE IN THE TRUSTEE'S FAVOR AGAINST LUCENT TECHNOLOGIES INC. IN THE ADVERSARY



JPMorgan Chase Bank, N.A.
c/o JPMorgan Treasury Services
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10420 Highland Manor Drive
Tampa, FL 33610

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TO:

CHRISTINE C. SHUBERT, AS CHAPTER 7
TRUSTEE OF WINSTAR COMMUNICATIONS,
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10 TEABERRY DRIVE
MEDFORD, NEW JERSEY 08055

PROCEEDING (THE "ADVERSARY PROCEEDING") CAPTIONED CHRISTINE C. SHUBERT,
CHAPTER 7 TRUSTEE OF WINSTAR COMMUNICATIONS, INC. AND WINSTAR WIRELESS,
INC. V. LUCENT TECHNOLOGIES INC. (ADV. PRO. NO. 01-1063 (JBR)) AS AFFIRMED
BY THE U.S. DISTRICT COURT OF THE DISTRICT OF DELAWARE BY ORDER DATED APRIL
26, 2007 (THE "AFFIRMANCE ORDER") AND ATTACHED TO THIS AFFIDAVIT ARE TRUE
COPIES OF THE JUDGMENT AND THE AFFIRMANCE ORDER, AND THAT:
(INDICATE EITHER A OR B)

A. "THE PERIOD FOR APPEAL FROM THE AFFIRMANCE ORDER HAS EXPIRED WITHOUT AN
APPEAL HAVING BEEN TAKEN." OR

B. "(I) THE AFFIRMANCE ORDER WAS APPEALED TO THE UNITED STATES COURT OF
APPEALS FOR THE THIRD CIRCUIT (THE "COURT"), AND

(II) THE AFFIRMANCE ORDER WAS AFFIRMED BY THE COURT EITHER IN WHOLE OR IN
PART OR MODIFIED ON THE APPEAL IN WHOLE OR IN PART, AND AS SO AFFIRMED OR
MODIFIED IS IN THE TRUSTEE'S FAVOR IN A STATED AMOUNT WHICH IS EQUAL TO OR
GREATER THAN THE AMOUNT OF \$ _____, AND

(III) THE COURT'S MANDATE HAS ISSUED AND NOTICE OF THE DISPOSITION OF THE
APPEAL BY THE COURT HAS BEEN SERVED UPON THE ATTORNEYS OF RECORD FOR LUCENT
TECHNOLOGIES INC. IN THE ADVERSARY PROCEEDINGS AND

(IV) A STAY OF THE MANDATE PURSUANT TO FED R. APP. P. 41(B) HAS NOT BEEN
OBTAINED AND

(V) THE TRUSTEE HAS NOT YET BEEN PAID ON ACCOUNT OF THE SAID STATED AMOUNT,
TO THE EXTENT OF THIS DRAFT."

OR



JPMorgan Chase Bank, N.A.
c/o JPMorgan Treasury Services
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10420 Highland Manor Drive
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TO:
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TRUSTEE OF WINSTAR COMMUNICATIONS,
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10 TEABERRY DRIVE
MEDFORD, NEW JERSEY 08055

2. AN AFFIDAVIT SIGNED BY THE TRUSTEE CERTIFYING THAT:
"THE AMOUNT OF THIS DRAWING U.S.DOLLARS \$ _____ UNDER JPMORGAN
CHASE BANK, N.A. LETTER OF CREDIT NUMBER TPTS-230915 REPRESENTS FUNDS DUE
(AND NOT PREVIOUSLY PAID) ON ACCOUNT OF A SETTLEMENT AGREEMENT THAT HAS
BEEN JOINTLY EXECUTED BY THE ATTORNEYS OF RECORD FOR THE TRUSTEE AND FOR
LUCENT TECHNOLOGIES INC IN THE ADVERSARY PROCEEDING PROVIDING FOR PAYMENT
TO THE TRUSTEE OF SUCH SUM OF MONEY AS FULL AND FINAL SETTLEMENT OF THE
TRUSTEE'S CLAIMS IN THE ADVERSARY PROCEEDING."

OR

3. AN AFFIDAVIT SIGNED BY THE TRUSTEE CERTIFYING THAT:
"LUCENT IS IN DEFAULT OF PARAGRAPHS 9 (B) AND 10 OF THAT CERTAIN JOINT
STIPULATION REGARDING STAY OF PROCEEDINGS AND FORM OF SECURITY, FILED IN
THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, DATED MAY
____ 2007."

ONLY ONE DRAWING IS PERMITTED UNDER THIS LETTER OF CREDIT.

IT IS A CONDITION OF THIS IRREVOCABLE LETTER OF CREDIT THAT IT SHALL BE
AUTOMATICALLY EXTENDED FOR AN ADDITIONAL PERIOD OF ONE YEAR FROM THE
PRESENT EXPIRATION DATE OR EACH FUTURE EXPIRATION DATE, UNLESS AT LEAST 60
DAYS PRIOR TO SUCH DATE WE SEND NOTICE TO THE TRUSTEE, IN WRITING BY
REGISTERED MAIL, HAND DELIVERY OR OVERNIGHT COURIER, AT THE ADDRESS SET
FORTH ABOVE OR SUCH OTHER ADDRESS AS THE TRUSTEE SHALL DELIVER TO US IN
WRITING (WITH COPIES OF THE NOTICE DELIVERED BY THE SAME MEANS TO HERRICK,
FEINSTEIN LLP, TWO PARK AVENUE, NEW YORK, NEW YORK 10016, ATTN. STEPHEN M.
RATHKOPF AND ANDREW C. GOLD, COUNSEL TO THE TRUSTEE; LUCENT, 600 MOUNTAIN
AVE., MURRAY HILL, NJ 07974-0636, ATTN: TREASURER; AND WILMER CUTLER
PICKERING HALE AND DORR LLP, 1875 PENNSYLVANIA AVE., NW, WASHINGTON, DC,
20006, ATTN. CRAIG GOLDBLATT, COUNSEL TO LUCENT), STATING THAT WE ELECT NOT



JPMorgan Chase Bank, N.A.
c/o JPMorgan Treasury Services
Global Trade Services
10420 Highland Manor Drive
Tampa, FL 33610

MAY 3, 2007

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TO:
CHRISTINE C. SHUBERT, AS CHAPTER 7
TRUSTEE OF WINSTAR COMMUNICATIONS,
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10 TEABERRY DRIVE
MEDFORD, NEW JERSEY 08055

TO EXTEND THIS LETTER OF CREDIT FOR SUCH ADDITIONAL PERIOD. UPON RECEIPT BY THE TRUSTEE OF SUCH NOTICE, THE TRUSTEE MAY DRAW ON US AT SIGHT FOR AN AMOUNT NOT TO EXCEED THE AMOUNT AVAILABLE UNDER THIS LETTER OF CREDIT WITHIN THE THEN APPLICABLE EXPIRY DATE IF 40 DAYS HAVE PASSED SINCE THE DATE OF OUR AFORESAID NOTICE AND NO REPLACEMENT LETTER OF CREDIT, ISSUED BY A NATIONAL BANK APPROVED BY THE OFFICE OF THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE AS A DEPOSITORY INSTITUTION UNDER THE PROCEDURES SET FORTH IN 11 USC § 345 AND 28 USC § 586, ON TERMS MATERIALLY AS FAVORABLE AS THOSE OF THIS LETTER, HAS BEEN PROVIDED TO THE TRUSTEE. IN THE EVENT OF SUCH A DRAWING, NONE OF THE DOCUMENTS REQUIRED UNDER ITEMS 1, 2 OR 3 ABOVE SHALL BE REQUIRED. SUCH DRAFT DRAW SHALL, HOWEVER, BE ACCOMPANIED BY AN AFFIDAVIT SIGNED BY THE TRUSTEE CERTIFYING THAT:

"THE TRUSTEE HAS DELIVERED TO LUCENT, AT 600 MOUNTAIN AVE. MURRAY HILL, NJ 07974-0636, ATTN: TREASURER, IN WRITING BY REGISTERED MAIL, HAND DELIVERY OR OVERNIGHT COURIER, NOTIFICATION OF THE TERMINATION OF THE LETTER OF CREDIT (WITH A COPY OF THE NOTICE DELIVERED TO WILMER CUTLER PICKERING HALE AND DORR LLP, 1875 PENNSYLVANIA AVE., NW, WASHINGTON, DC, 20006, ATTN. CRAIG GOLDBLATT, COUNSEL TO LUCENT). FORTY DAYS HAVE PASSED FROM THE DATE ON WHICH SUCH NOTICE WAS SENT TO THE TRUSTEE BY JPMORGAN CHASE BANK, N.A. OF ITS INTENTION NOT TO EXTEND THIS LETTER OF CREDIT FOR AN ADDITIONAL PERIOD. LUCENT HAS NOT PROVIDED, FOR THE BENEFIT OF THE TRUSTEE, A REPLACEMENT STANDBY LETTER OF CREDIT, ISSUED BY A NATIONAL BANK APPROVED BY THE OFFICE OF THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE AS A DEPOSITORY INSTITUTION UNDER THE PROCEDURES SET FORTH IN 11 USC § 345 AND 28 USC § 586, ON TERMS MATERIALLY AS FAVORABLE AS THOSE OF THE TERMINATED LETTER OF CREDIT."

OUR FAILURE TO NOTIFY ANY PARTY, OTHER THAN THE BENEFICIARY OF THIS LETTER OF CREDIT AND LUCENT TECHNOLOGIES INC., OF OUR INTENT NOT TO EXTEND THIS LETTER OF CREDIT SHALL NOT BE CONSIDERED AS JPMORGAN CHASE BANK N.A.'S



JPMorgan Chase Bank, N.A.
c/o JPMorgan Treasury Services
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MAY 3, 2007

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TO:
CHRISTINE C. SHUBERT, AS CHAPTER 7
TRUSTEE OF WINSTAR COMMUNICATIONS,
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10 TEABERRY DRIVE
MEDFORD, NEW JERSEY 08055

COMMITMENT TO EXTEND THIS LETTER OF CREDIT FOR ANY ADDITIONAL PERIOD.

THIS LETTER OF CREDIT SHALL TERMINATE UPON THE EARLIER TO OCCUR OF (A) THE EXPIRATION DATE, SUBJECT TO ANY AUTOMATIC EXTENSION AS PROVIDED HEREIN, (B) OUR RECEIPT OF AN AFFIDAVIT SIGNED BY THE TRUSTEE STATING THAT THIS LETTER OF CREDIT IS CANCELLED, TOGETHER WITH THE ORIGINAL OF THIS LETTER OF CREDIT, (C) THE PRESENTATION TO JPMORGAN CHASE BANK, N.A. OF AN ORDER FROM THE COURT DIRECTING THE TERMINATION OF THIS LETTER OF CREDIT OR (D) SEVEN (7) BUSINESS DAYS AFTER OUR AND THE TRUSTEE'S RECEIPT (WITH A COPY OF THE NOTICE DELIVERED TO HERRICK, FEINSTEIN LLP, TWO PARK AVENUE, NEW YORK, NEW YORK 10016, ATTN. STEPHEN M. RATHKOPF AND ANDREW C. GOLD, COUNSEL TO THE TRUSTEE) OF AN AFFIDAVIT SIGNED BY AN OFFICER OF LUCENT TECHNOLOGIES INC. AND SIGNED BY THE ATTORNEY OF RECORD FOR LUCENT TECHNOLOGIES INC. IN THE ADVERSARY PROCEEDING STATING:

- (1) THE AFFIRMANCE ORDER WAS APPEALED, AND
- (2) THE JUDGMENT WAS REVERSED IN ITS ENTIRETY OR VACATED IN ITS ENTIRETY ON APPEAL AND
- (3) NOTICE OF THE ORDER, DECISION, OR OTHER DISPOSITION OF THE APPEAL WHICH REVERSED OR VACATED THE JUDGMENT IN ITS ENTIRETY HAS BEEN TIMELY SERVED UPON THE ATTORNEYS OF RECORD FOR THE TRUSTEE AND THE TRUSTEE'S COUNSEL IN THE ADVERSARY PROCEEDING, AND
- (4) THEREFORE, JPMORGAN CHASE BANK, N.A. LETTER OF CREDIT NUMBER TPTS-230915 IS TO BE TERMINATED SEVEN BUSINESS DAYS AFTER RECEIPT OF THIS AFFIDAVIT.

A COPY OF THE COURIER RECEIPT(S) ADDRESSED TO THE TRUSTEE AND THE TRUSTEE'S COUNSEL IS REQUIRED UPON TERMINATION PER (D) ABOVE.



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TRUSTEE OF WINSTAR COMMUNICATIONS,
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10 TEABERRY DRIVE
MEDFORD, NEW JERSEY 08055

EXCEPT AS EXPRESSLY STATED HEREIN, THIS UNDERTAKING IS NOT SUBJECT TO ANY
CONDITION OR QUALIFICATION. THE OBLIGATION OF JPMORGAN CHASE BANK, N.A.
UNDER THIS LETTER OF CREDIT SHALL BE THE INDIVIDUAL OBLIGATION OF JPMORGAN
CHASE BANK, N.A., AND IN NO WAY CONTINGENT UPON REIMBURSEMENT WITH RESPECT
THERE TO.

PLEASE DIRECT ALL CORRESPONDENCE IN CONNECTION WITH THIS LETTER OF CREDIT
TO JPMORGAN CHASE BANK, N.A. C/O JPMORGAN TREASURY SERVICES, ATTENTION;
STANDBY LETTER OF CREDIT DEPARTMENT 10420 HIGHLAND MANOR DR., 4TH FL.,
TAMPA, FL 33610.

WE ENGAGE WITH YOU THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE
TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED UPON DELIVERY OF THE
DOCUMENTS SPECIFIED ABOVE IF PRESENTED AT THIS OFFICE ON OR BEFORE THE
EXPIRATION DATE OF TPTS-230915 OR ANY LATER DATE MADE APPLICABLE BY THE
AUTOMATIC EXTENSION PROVISION ABOVE.

THIS LETTER OF CREDIT IS ISSUED SUBJECT TO THE INTERNATIONAL STANDBY
PRACTICES 1998, INTERNATIONAL CHAMBER. OF COMMERCE PUBLICATION NO. 590
("ISP 98").

THIS LETTER OF CREDIT IS TRANSFERABLE IN ITS ENTIRETY (BUT NOT IN PART) AND
JPMORGAN CHASE BANK, N.A. ONLY IS AUTHORIZED TO ACT AS THE TRANSFERRING
BANK. WE SHALL NOT RECOGNIZE ANY TRANSFER OF THIS LETTER OF CREDIT UNTIL
THIS ORIGINAL LETTER OF CREDIT TOGETHER WITH ANY AMENDMENTS AND A SIGNED
AND COMPLETED TRANSFER FORM, ATTACHED HERETO, IS RECEIVED BY US AND OUR
TRANSFER CHARGES ARE PAID BY BANK OR CERTIFIED CHECK. THE CORRECTNESS OF
THE SIGNATURE AND TITLE OF THE PERSON SIGNING THE TRANSFER FORMS MUST BE
VERIFIED BY YOUR BANK. IN CASE OF ANY TRANSFER UNDER THIS LETTER OF
CREDIT, THE DRAFT AND ANY REQUIRED STATEMENT MUST BE EXECUTED BY THE



JPMorgan Chase Bank, N.A.
c/o JPMorgan Treasury Services
Global Trade Services
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MAY 3, 2007

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10 TEABERRY DRIVE
MEDFORD, NEW JERSEY 08055

TRANSFeree. THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED TO ANY PERSON
WITH WHICH U.S. PERSONS ARE PROHIBITED FROM DOING BUSINESS UNDER U.S.
FOREIGN ASSETS CONTROL REGULATIONS OR OTHER APPLICABLE U.S. LAWS AND
REGULATIONS.

FOR PURPOSES OF THIS LETTER OF CREDIT THE TERM "TRUSTEE" (AND THE TERM
"BENEFICIARY" AS USED IN THE PRECEDING PARAGRAPH) INCLUDES A SUCCESSOR
TRUSTEE TO MS. SHUBERT OR TO ANY SUCCESSOR TRUSTEE AND ANY SUCCESSOR
TRUSTEE MAY ALSO BE A TRANSFeree OF THIS CREDIT. ANY DRAFT PRESENTED FOR
PAYMENT UNDER THIS CREDIT BY ANY SUCH SUCCESSOR TRUSTEE MUST BE ACCOMPANIED
BY A COPY OF THE DOCUMENT(S) DESIGNATING OR APPOINTING THE PERSON ACTING AS
THE TRUSTEE HEREUNDER AS SUCH SUCCESSOR TRUSTEE.

ALL OTHER TERMS AND CONDITIONS OF THE CREDIT REMAIN UNCHANGED.

.....
AUTHORIZED SIGNATURE

HENRY AVELINO
ASSISTANT VICE PRESIDENT

**UNITED STATES DISTRICT COURT
DISTRICT OF DELAWARE**

CERTIFICATE OF SERVICE

I hereby certify that on May 4, 2007, I electronically filed **Joint Stipulation Regarding Stay of Proceedings** with the Clerk of Court using CM/ECF which will send notifications of such filing(s) to the following:

Gregory Alan Taylor
Ashby & Geddes
500 Delaware Avenue
8th Floor
P.O. Box 1150
Wilmington, DE 19899

Sheldon K. Rennie
Michael G. Menkowitz
Fox, Rothschild LLP
919 North Market Street
Suite 1300
Wilmington, DE 19801

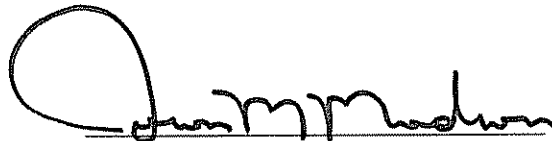
Stephen M. Rathkopf
David R. King
Herrick Feinstein LLP
2 Park Avenue
New York, NY 10016

I hereby certify that on May 4, 2007, I mailed via the United States Postal Service the **Joint Stipulation Regarding Stay of Proceedings** to the following non-registered participants:

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